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| MOD PRODUCERS  | 88 URB/REV | . PAID UP LEASE |
|----------------|------------|-----------------|
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Tract No.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SUBSURFACE OIL, GAS AND MINERAL LEASE

|  |   |  | 1/44  | ,   | 1   | <u>- /                                   </u>  |  |  |  |
|--|---|--|---|---|---|--|--|--|--|
|  |   | ("Lease") made th  | is <u>4</u>   | day of  | 00/   | <u> </u>   |  | , 2008, betwee   |  |
| Less the agreements mining for and geophysical tes salt water, dred owned or claim   | ssor in considerations of Lessee he producing of strand survey diging and maned by Lesson   | pration of Ten and<br>trein contained he<br>I, gas, sulfur, fiss<br>s, injecting gas, w<br>intaining canals, le<br>adjacent and con  | no 100 Dollars an<br>reby, grants, lease<br>ionable materials a<br>ater and other fluid<br>building roads, bri<br>tiguous thereto ne  | Houston, Texas, Soled Other Valuable (s and lets exclusive and all other minerals and air into subsidges, tanks, telepholes.  | 77060, WITNES: Consideration (\$1 ely unto Lessee 1 als (whether or no urface strata, layi one lines, power n operations to pi  | SETH:  0.00 & O.V.C.) in for the purpose of it of similar to those ring pipelines, establistations and other roduce, save, take of the stations are save, take of the save, ta | hand paid, of the to<br>investigating, explor<br>nentioned), conduct<br>ishing and utilizing is<br>structures thereon, a   | walties herein provided and ing, prospecting, drilling a ing exploration, geologic a facilities for the disposition and on, over and across larger and own said minerals, to   | of<br>ind<br>ind<br>of   |
|  |   |  | See a   | ttached Exhibit "   | A" for Land De  | scription  |  |  |  |
| whether the san purpose of prov  | me be in said :<br>oviding a mon  | survey or surveys of specific descript   | or in adjacent surveion of the Lease F  | eys. Lessor agrees<br>remises. Furthern   | to execute any su<br>nore, Lessor auth  | ubstitute Lease(s) of<br>forizes Lessee to co  | r correction to Lease  | particularly described aborts) tendered by Lessee for the lease Premises tached hereto.  | he   |
| or cessation at herein containe mineral is produced from time of such paragraph of the first payart maintained for depository bank at the first payart of the first payart maintained for depository bank at the first payart for the first pa | any time of ped to the contiduced from sale royalties to be pipeline to with the field when at the well; (be asoline or other asoline or the amount of the Lease Preayment would be asoline or owners' agd no/100 Dollis not otherwicent of such such to k or, if a depute last known or the amount of payments p | production of oil, any, this Lease shid Land or land possesses thich the wells made produced on the or produced on the or produced therefore received by Less hale; and (c) on ton sulfur mined is regulated by an east of the price whand of oil, gas an artions, and the roll is capable of proce, whether it be domises covered by be entitled to receive, and shall contar (\$1.00) for each se maintained, or to such date, and the sittory is not designaddress provided due but it shall in ayable to Lessor to a such date of the such date.   | gas or other minerall be for a term of soled therewith here of the connected; Let date of purchase, a great casing head gas com, the market value for such gas confissionable materior marketed, the ray governmental aghich Lessee may red coal produced froyalty on oil, gas adducing oil or gas buring or after the Pthis Lease when Leive royalty hereun calendar month, on this Lease is not rel on or before the fir thereafter on or begated above, then in writing to Lesse to operate to term  | als, and without furthere (3) years freunder, or as long of that proflucts seem any from firm and Lessee may seem and the well of the protection of the mount als and all other mount and and all other mount and and all other mount and retain. I come the Lease Premond coal shall be count such well is not minary Term, (unlessee shall pay or to der if the well was ar portion thereafter eased by Lessee as st day of each caler fore the first day of mailed on or before the yelson. Lesses inate this lease. No  | rther payments the om the date here as this Lease is considered and saved from the date here as this Lease is considered and saved from the date of the gas at the first of the well, and inerals mined and the date of the date of the land on which Lessee maduring which said to the land on which and ar month after of each third caler on the due date of the said the producing and the due date of the due date of the due date of the said the producing and the said the due date of the said the | nan the royalties he of (called "Primary ontinued in effect, am said Land, the sise any royalty oil in its possession and from the Land at so sold or used, proud on gas sold at the different management of such mineral free from royalty oil in the Land and this Lease in the thing any so used and this Lease is not seed in the land it shall no bona fide attempt to soit to their credit in the land of the land of the horizon, expiration of ninety may thing to the control of the control  | rein provided, and rein provided, and rein provided, and rein as otherwise provided arme to be delivered in its possession, paying a pay Lessor the price and sold or used official vided that on gas sold expelled the royalty should be price of any minor substance for the rother payment the may conduct hereum it. If Lessee drills a pot being maintained expertheless be considered that a pay or tender) as roin and a pay or tender) as roin and a pay or tender as roin (90) days from the cacculas to each such arrives entitled thereto any or tender any such arry, Lessee may fro | to the discovery, development that the discovery, development that the discovery development that the discovery development that the wells or to the credit ing the market price therefore directived by Lessee for suther Lease Premises or for the discovery development discovery | of the litter and in the litter and in the litter and in the litter and in the litter and litter an |
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on the unit area, other than on the land covered hereby and included in the unit, which well is not classified as the type of well for which the unit was created (oil, gas or other mineral as the case may be), such well or mine shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions of Paragraph 6 hereof. If an oil well on an oil unit, which includes all or a portion of the Lease Premises, is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the Lease Premises, is reclassified as an oil well, the date of such reclassification shall be considered as the date of cessation of production for purposes of

applying the additional drilling and reworking provisions of Paragraph 6 hereof as to all leases any part of which are included in the unit other than the leased premises on which the well is located. For the purpose of computing royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil, gas or other minerals from each pooled unit, there shall be allocated to the Lease Premises and included in said unit (or to each separate tract within the

unit if this Lease covers separate tracts within the unit) a pro rata portion of the oil, gas or other minerals produced from the unit after deducting that used for operations on the unit. Such allocation shall be on an acreage basis - that is, there shall be allocated to the acreage covered by this Lease and included in the pooled unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) that pro rata portion of the oil, gas or other minerals produced from the unit which the number of surface acres covered by this Lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the unit. As used in this paragraph, the words, "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the Lease Premises. Royaltias hereunder shall be computed on the portion of such production, whether it be oil, gas or other minerals, so allocated to the Lease Premises and included in the unit just as though such production were from such land. Production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the Lease Premises is situated at any time after completion of a dry hole or cessation of production on said unit.

- 6. If at the expiration of the Primary Term, oil, gas, or other mineral is not being produced on the Lease Premises, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 180 days prior to the end of the Primary Term, this Lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from the Lease Premises, or from land pooled therewith. If, after the expiration of the Primary Term of this Lease and after oil, gas or other mineral is produced from the Lease Premises, or from land pooled therewith, the production thereof should cease from any cause, this Lease shall not terminate if Lessee commences operations for drilling or reworking within 180 days after the cessation of such production, but shall remain in force and effect so long as Lessee continues drilling or reworking operations on said well or for drilling or reworking of or other mineral with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from the Lease Premises, or from land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the Lease Premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.
- 7. Lessee shall have the right at any time during or after the expiration of this Lease to remove all property and fixtures placed by Lessee on the Lease Premises, including the right to draw and remove all casing. When necessary for utilization of the surface for some intended use by Lessor and upon request of Lessor or when deemed necessary by Lessee for protection of the pipeline, Lessee will bury pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200') feet of any residence or barn now on the Lease Premises without Lessor's consent.
- 8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns: but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this Lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder. Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.
- 9. Breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this Lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this Lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence compliance with the obligations imposed by virtue of this Lease.
- 10. Lessor hereby warrants and agrees to defend the title to the Lease Premises and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon the Lease Premises, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other law, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for the credit of Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, if Lessor owns an interest in the oil, gas or other minerals on, in or under the Lease Premises less than the entire fee simple estate, whether or not this Lease purports to cover the whole or a fractional interest, the royalties, benus and shut-in royalties to be paid Lessor shall be reduced in the proportion that Lessor's interest bears to the whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Should any one or more of the parties named above as Lessor fail to execute this Lease, it shall nevertheless be binding upon the party or parties executing same. If title investigation for Lessee results in a reduction or increase of bonus consideration payable to Lessor, the resulting bonus payment shall be deemed for all purposes to be paid to Lessor on the date when Lessee's check (in substitution for any pre-delivered draft) is delivered to Lessor prior to its due date or, prior to its due date is mailed to Lessor at the last known address provided by Lessor.
- 11. Should Lessee be prevented from complying with any express or implied covenant of this Lease, from conducting drilling or reworking operations thereon or on land pooled therewith or from producing oil, gas or other mineral therefrom or from land pooled therewith by reason of scarcity or of inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented. Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith: and this Lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other minerals from the Lease Premises or land pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding.
- 12. Surface Use Restriction: Notwithstanding anything to the contrary contained herein. Lessee agrees that it shall have no right to use the surface of the Lease Premises to exercise any of the rights granted hereunder without first obtaining Lessor's written consent. This provision shall in no way restrict Lessee's exploration of or production from the Lease Premises by means of wells drilled on other lands but entering or bottomed on the Lease Premises. Any wells directionally or horizontally drilled or operated under the Lease Premises with bottomhole locations (for vertical wells) or with horizontal drainhole locations (for horizontal wells) on the Lease Premises shall be regarded as if the wells were drilled on the Lease Premises. Lessee agrees that any drilling under the Lease Premises shall commence at and continue at depths below five hundred feet (500') from the surface of the earth. In addition to Lessee's other rights under this Lease, Lessor hereby grants to Lessee a subsurface easement to drill and operate directional and/or horizontal wells under and through the Lease Premises to reach lands not covered by this Lease and which wells have bottom hole locations (if a vertical well) or horizontal drainhole locations (if a horizontal well) on lands not covered by this Lease or land pooled therewith. Lessee agrees that this subsurface easement shall commence at and continue at all depths below five hundred feet (500') from the surface of the earth.
- 13. Except as expressly provided above in Paragraph 3, Lessor's royalty may not be charged directly, or indirectly, with any of the expenses of production, gathering, dehydration, compression, processing, or treating the gas produced from the land that are incurred prior to the inlet of a gas pipeline evacuating gas from the Lessor's royalty shall bear its proportionate share of all costs and expenses, including transportation, to the point of sale.
  - 14. Each singular pronoun herein shall include the plural whenever applicable.
- 15. For convenience, this instrument may be executed in multiple counterparts and Lessor and Lessoe agree that for recording purposes their respective signature page and acknowledgments may be removed from their respective counterpart and attached to a single Oil, Gas and Mineral Lease and for all purposes and obligations hereunder this shall be considered as one single Oil, Gas and Mineral Lease.
- 16. Lessor shall, upon the request of Lessee, use its best efforts in assisting Lessee in obtaining a subordination of Deed of Trust or similar security instrument that may affect the Lease Premises. Additionally, in the event Lessor receives a notice of default, acceleration of loan, or notice of sale under a Deed of Trust or other security instrument affecting the Lease Premises, Lessor shall immediately provide copies of any such notice, and all additional relevant facts, to Lessee. In this regard, Lessor shall comply with all reasonable requests of Lessee.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

| By: 4 Mances a Hulson   | Ву:   |
|---|---|
| (Individually and in all Capacities for the above described Land) | (Individually and in all Capacities for the above described Land) |
| Printed Name: Frances A Nelson                                    | Printed Name:   |
| Title: LESSOR   | Title:  |

## Individual Acknowledgment

| STATE OF TEXAS   | §   |               |
|--|---|---------------|
| COUNTY OF TAYSANT  | - §<br>- §  |               |
| executed the same for purposes   | day personally appeared   | e that he/she |
| PAUL D. YOUNG Notary Public STATE OF TEXAS My Comm. Exp. Oct. 30, 7 SEAL:                | Notary Public in and for the State of Texas.  Signature of Notary:  D. Young  (Print Name of Notary Here)  My Commission Expires:  10/30/2011 |               |
|  | Individual Acknowledgment   |               |
| STATE OF TEXAS  COUNTY OF  | \$<br>\$<br>- \$  |               |
| BEFORE ME, on this d<br>known to me to be the person w<br>executed the same for purposes | lay personally appeared   | that he/she   |
| GIVEN UNDER MY H   | IAND AND SEAL OF OFFICE, this the day of  | , 2008.       |
|  | Notary Public in and for the State of Texas.  |               |
|  | Signature of Notary:  |               |
| SEAL:  | (Print Name of Notary Here) My Commission Expires:  |               |
|  | Corporate Acknowledgment  |               |
| STATE OF TEXAS   | §   |               |
| COUNTY OF  | §<br>§<br><sub>-</sub> §  |               |
| The foregoing instrume   | nt was acknowledged before me, on this day of   |               |
|  | by of (Name of officer) of of of of of  |               |
| (Name of corporation)  | , acorporation,cstate of incorporation)   |               |
| on behalf of said corporation.   |   |               |
| GIVEN UNDER MY H   | AND AND SEAL OF OFFICE, this the day and year last above written.   |               |
|  | Notary Public in and for the State of Texas.  |               |
|  | Signature of Notary:  |               |
| SEAL:  | (Print Name of Notary Here) My Commission Expires:  |               |

Page 3 of 4

DDTET O&G Prod 88 Mod/Urb/, NSU 110507

## Exhibit "A" **Land Description**

| Attached to and made a part of that certain Oil, Gas and Mineral Lease dated 4th day of October, 2008 by and between, DDJET Limited LLP as Lessee and Frances A. Nelson, as  |
|--|
| Lessor.  Lessor authorizes Lessee to insert the Agreage, Survey, Abstract, City and Plat information below, if it is not already   |
| Lessor authorizes Lessee to insert the Agreage, Survey, Abstract, City and Plat information below, if it is not already included. From time to time Lessee may determine that some part or all of the Lease Premises should be more specifically |
| described, in which case Lessor agrees to execute any substitute Lease(s) or correction to Lease(s) tendered by Lessee for such re-description.  |

1.482 acre(s) of land, more or less, situated in the J.J. Hibbins Survey, Abstract No. 640 and J.W. Haynes Survey, Abstract No. 791, an Addition to the City of Keller, Tarrant County, Texas, and being further described in that certain Deed recorded 9/17/2001 as Entry #D201226701 of the Official Records of Tarrant County, Texas.

After Recording Return to: HARDING COMPANY 13465 MIDWAY ROAD, STE. 400 DALLAS, TEXAS 75244 PHONE (214) 361-4292 FAX (214) 750-7351